

DRAFT

11 February 1959

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MEMORANDUM FOR THE DIRECTOR

SUBJECT:

1. This memorandum represents the consensus of the Board and Staff opinion on the morning's telegram from Teheran.
2. We think it extremely unlikely that the Soviets will use armed force against Iran.
3. We think it highly probable that the Soviets will commence a public and private war of nerves against Iran, including some or all of the following elements:
 - (a) pressures not to sign bilateral with the US;
 - (b) protests against present US and British military presence in Iran (MAAG, installations);
 - (c) strong threats against any increase of US or Western military presence in Iran;
 - (d) breaking off of diplomatic relations -- or a threat to break off diplomatic relations if the bilateral is signed;
 - (e) economic pressures
 - (f) possible troop movements, designed to intimidate.



4. The Soviets will probably increase their operations among the Kurds, but we doubt that such measures would be fruitful in the near future. The same holds true for subversion among the Arabs of southwestern Iraq. We believe the ^NGudeh Party is virtually useless to the Soviets in the near future.

5. In operating against Iran, the Soviets will probably have a care for the situation in Iraq, where the course of events is currently favorable to them and might be disturbed by heavy handed procedures in Iran. We do not think the Soviets can in the immediate future substantially increase pressures on Iran from Iraq; the situation in Iraq is moving about as fast in the Soviet favor as it can.

6. What effect all ~~this~~ this may have on Iran will depend greatly on what the US does. The Shah will certainly ask for ^{naval} naval and political and material assistance. We think that, with some US backing, Iran can survive a substantial Soviet political warfare campaign.

7. We also consider, pending further information, that the hostility of the Soviets was surely not minimized in the account given us by the Iranians. On the other hand, we believe that the Soviets were no doubt injured in pride, and that they have a real concern about the extension of US and Western military pressure on their borders.

